Library and Archives Canada

2006 - 2007

Departmental Performance Report

The Honourable Josée Verner, P.C., M.P.
Minister of Canadian Heritage, Status of Women and Official Languages

Table of Contents

Minister's Message 5

Message from the Librarian and Archivist of Canada 6

Management Representation Statement 8

Mandate of Library and Archives Canada 9

Status on Performance 11

Year in Review 17

Analysis of Program Activities by Strategic Outcome 21

Other Items of Interest 39

Financial Information 43

Contacts for Further Information 65

Ministre du Patrimoine canadien,
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As Minister of Canadian Heritage, Status of Women and Official Languages, I am pleased to present Library and Archives Canada's *Departmental Performance Report* for 2006–2007. The report outlines all that this Canadian Heritage Portfolio Agency has accomplished over the reporting period and the many ways in which it continues to fulfill its mandate. Library and Archives Canada (LAC) is well known for its many important roles in preserving the rich documentary heritage of Canada. It has earned a reputation for making that heritage known to Canadians and to people around the world who are interested in the stories of this country.

In addition to this important work, LAC is making another critical contribution of importance to the Government and to all Canadians by enabling our Government to achieve its accountability commitments. As this report illustrates, LAC has an essential role in government recordkeeping and provides critical expertise in this field to federal departments and agencies.

Increasing the speed of LAC responses to Access to Information requests is one important step forward for accountability. LAC is collaborating with partners across Government to make effective recordkeeping a consistent priority for all Departments and Agencies and to ensure that the government records needed to explain decisions and spending choices are better organized and managed and accessible for long-term use.

Along with its work as Canada's national knowledge institution, LAC's actions demonstrate its relevance and value to Canadians. This *Departmental Performance Report* demonstrates the unique and important role the Agency plays as a member of the Canadian Heritage Portfolio in helping to shape and strengthen our identity as Canadians.

The Honourable Josée Verner, P.C., M.P.

Message of the Librarian and Archivist of Canada

Since the creation of Library and Archives Canada (LAC) in 2004, our organization has taken a highly-strategic approach to the mandate that Parliament set for us. LAC has emerged from an initial transformation process as a much more unified knowledge institution with a national scope. We are accelerating the evolution of an institution that is responding to a digital information environment and a world in which partnerships and collaboration are the orders of the day. We are focusing on the needs and interests of Canadians and people interested in Canada in all their diversity, wherever they live and however they prefer to interact with us.

This Departmental Performance Report (DPR) demonstrates that we met or exceeded many of the targets that we set for the year. In others, competing priorities and lessons learned during the year meant changed plans or timetables for our expected accomplishments. Together, the results of the year make clear that we are continuing to bring LAC together as a fully-integrated organization, as demonstrated practically by our initial progress in introducing a single function to enable people to search through our collection.

We are proud of the efforts we are making to take an increasingly-strategic approach to building our collection, so that it is representative of the rich diversity and complexity of this country and the Canadian experience. However, we believe strongly that it is not good enough to expect Canadians to come to us, although we have improved the spaces we use for client services in Ottawa and Gatineau. We are reaching out by making our extraordinary but fragile collection available to Canadians through greater delivery of services and access to our collection electronically and through regional exhibits with partners who share our commitment to making Canada's documentary heritage known.

Government records represent an element of that documentary heritage that has gained much greater recognition since the creation of LAC. Many of those records are critical to understanding decisions made many years ago. They provide the documentary basis to understand and address issues that resonate to this day such as treaty negotiations and commitments with First Nations and the payment of the head tax by immigrants from China. Many of the records being created today, whether on paper or electronically, will have similar importance to future generations. We are proud to be marshalling the commitment of government departments and agencies to bring their recordkeeping to a state in which the right information is retained and accessible. We are using our experience and expertise to lead a process that will give government recordkeeping the sustained attention and commitment it must have in order for governments to demonstrate accountability.

This DPR points out that much of what we did during 2006-2007 were steps forward, not the completion of a journey. That progress has earned international attention and is the basis for an expanding array of partnerships with other knowledge institutions. Still there are areas for greater action ahead of us.

For example, much more has to take place for LAC to have the facilities needed to ensure that the fragile items entrusted to us are kept in the most appropriate environments and for

LAC to have the information technology resources to keep pace with the opportunities presented by an increasingly-digital collection and a world of users who want access to that collection from their homes, schools and workplaces. Achieving those goals will take the best use of the resources we have already combined with new funding to meet specific goals. With the work we have done to date and with the plans we are building for the future, LAC will be well-positioned to earn the support we need to deliver fully on our mandate as a truly 21st century knowledge institution.

Ian E. Wilson

Management Representation Statement

I submit for tabling in Parliament, the *2006-2007 Departmental Performance Report* for Library and Archives Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.

Ian E. Wilson
Librarian and Archivist of Canada

Mandate of Library and Archives Canada

The preamble of our enabling legislation, the Library and Archives of Canada Act, states that the mandate of Library and Archives Canada is:

- to preserve the documentary heritage of Canada for the benefit of present and future generations;
- to serve as a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada as a free and democratic society;
- to facilitate in Canada cooperation among the communities involved in the acquisition, preservation and diffusion of knowledge; and
- to serve as the continuing memory of the Government of Canada and its institutions.

The *Library and Archives of Canada Act* introduced a new legal concept "documentary heritage", which includes publications and records in all media related to Canada. The *Act* strengthens the mandate of the institution to preserve this documentary heritage by providing for online publications and future new media to be included in legal deposit, for archiving Web sites of interest to Canada, and for the transfer of any government records deemed to be at risk. The legislation also provides an explicit mandate to make Canada's documentary heritage known and understood by Canadians and those interested in Canada.

Summary Information

Financial Resources

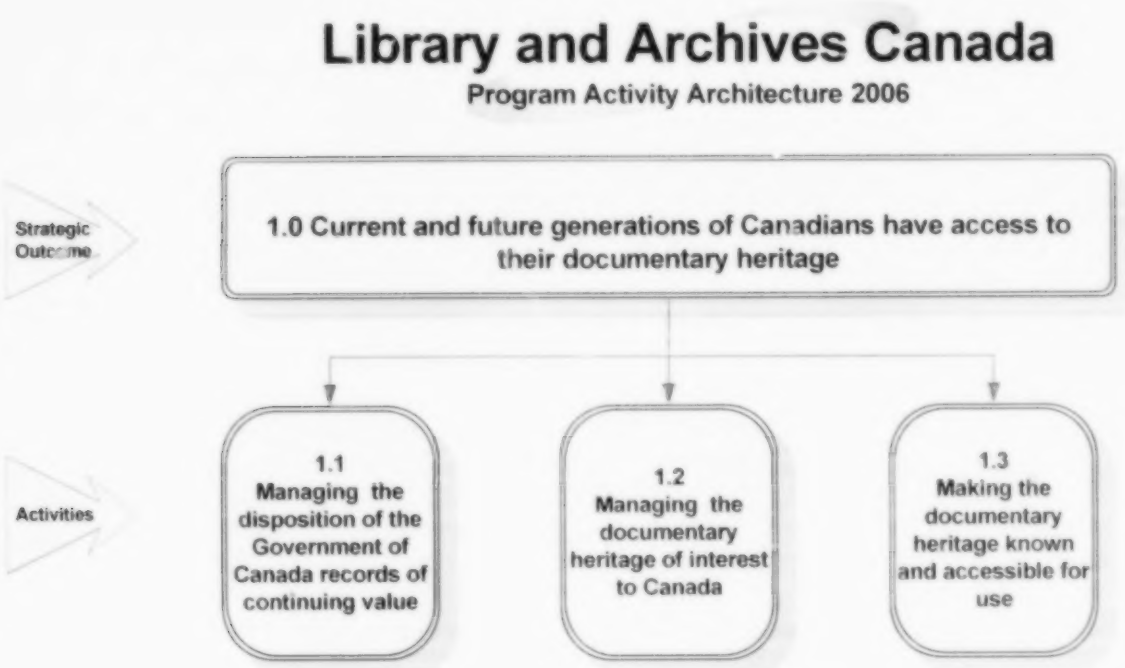
Planned	Authorities	Actual
$131,578,000	$115,956,000	$106,166,000

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
1,165 FTEs	1,126 FTEs	39 FTEs

Program Activity Architecture

The *Report on Plans and Priorities for 2006-2007* was based on a reporting structure with 1 strategic outcome and 3 program activities.


Library and Archives Canada
Program Activity Architecture 2006
Strategic Outcome
1.0 Current and future generations of Canadians have access to their documentary heritage
Activities
1.1 Managing the disposition of the Government of Canada records of continuing value
1.2 Managing the documentary heritage of interest to Canada
1.3 Making the documentary heritage known and accessible for use

Status on Performance

Strategic Outcome: Current and future generation of Canadians have access to their documentary heritage.

Program Activity 1: Managing the disposition of the Government of Canada records of continuing value

Commitments/Deliverables	Program Activity Expected Results	Performance Status	2006–2007	
			Planned Spending	Actual Spending
1.1 We will provide advice to enable a business-based approach to information management across federal government departments and agencies, through sound recordkeeping by: a. Promoting the roles of IM and recordkeeping as essential to the success of the continuous improvement agenda of the Government of Canada, and collaborating with government departments and agencies to establish a government-wide recordkeeping infrastructure linked to government's business objectives and accountabilities.	a. We have created an ADM-level Task Force on Recordkeeping to develop a way forward and to recommend an action plan on the creation and implementation of a sustainable culture and regulatory regime for recordkeeping in government.	Met	**$14,684,000**	**$10,881,000**
1.2 We will contribute to improving the use and management of information throughout their life cycle by: a. Establishing a strategy to ensure that electronic records are effectively managed throughout their life cycle and ensuring that electronic systems and electronic recordkeeping are the Government of Canada's preferred means of creating, using and managing records. b. Completing a functional and business activity-based classification scheme for government's business records and developing recordkeeping metadata.	a. In partnership with Transport Canada and Treasury Board, we successfully completed a pilot online transfer of electronic archival records. We also developed guidelines related to common administrative records supported by plans for information sessions in 2007-2008. b. We developed a function-based classification model for government business records and an adaptation methodology for all government institutions. Testing and implementation will be linked to strategic initiatives developed within the ADM Task Force on Recordkeeping. We also tested an approach to metadata with federal institutions that use the Records and Document Information Management System (RDIMS).	Met Ongoing		

Program Activity 1: Managing the disposition of the Government of Canada records of continuing value				
Commitments/Deliverables	Program Activity Expected Results	Performance Status	2006–2007	
			Planned Spending	Actual Spending
1.3 We will provide valued, cost-effective information management "and recordkeeping" services to the Government of Canada by: a. Developing a new model for storing records of business value to the Government of Canada in all media b. Developing and implementing the initial phase of a strategy to increase the capacity of federal libraries to provide high-quality information services	a. We developed options for a new storage model, which will lead to a future decision. The implementation will start when the decision is made regarding the preferred option. We also developed approaches to clear the backlog of legacy records. b. We focused on strengthening the Council of Federal Libraries Secretariat and Consortium. As a step forward in providing electronic library services, an analysis took place of the Consortium's proposed Desktop Tools initiative, which currently centers on an eLibrary project providing better information access to meet the needs of federal science-based department and agencies.	Met Met		

Program Activity 2: Managing the documentary heritage of interest to Canada				
Commitments/Deliverables	Program Activity Expected Result	Performance Status	2006–2007	
			Planned Spending	Actual Spending
2.1 We will ensure that Canada's documentary heritage is acquired and preserved by: a. Developing an acquisition strategy in the context of collaborative partnerships with other institutions across Canada b. Extending legal deposit to electronic publications and maps c. Addressing the challenges of acquiring, managing and preserving digital collections d. Archiving Web sites of interest to Canada e. Addressing the Auditor General of Canada's recommendations for protecting government records of archival and historical value f. Working with others toward a	a. We established a framework for collection development activities based on LAC strategic directions and priorities. To implement this framework, our Canadian Archives and Special Collections Branch set priorities for its acquisition efforts up to 2010. b. We supported the implementation with new guidelines for Legal Deposit and responded to questions from new publishers and through presentations to stakeholders to support implementation of the new regulation. We began to draft a communications plan for target groups such as GoC, scholarly journals and some commercial publishers. c. We have begun the development of an enterprise, digital preservation business framework and technical infrastructure which provides a suite of trusted digital repository services for ingest, metadata management, preservation and access of our digital	Met Met Ongoing	$87,330,000	$65,102,000

Program Activity 2: Managing the documentary heritage of interest to Canada				
Commitments/Deliverables	Program Activity Expected Result	Performance Status	2006–2007	
			Planned Spending	Actual Spending
national strategy for digital information production, preservation and access	documentary heritage. This includes policy, standards, business processes and software. d. We have developed and deployed web harvesting software, quality control and indexing capacity and viewing software. Major harvests of GoC domains have been completed and made available for searching. e. We undertook refinements to RDACS to improve functionality for both LAC staff and GoC client institutions, including the development of a module for capturing information on the implementation of the Multi-Institutional Disposition Authority for Operational Case File Records by GoC institutions. f. We held a national Summit in June 2006. After the Summit, the Canadian Digital Information Strategy (CDIS) committee worked to finalize, validate and consult further on the Strategy. A Strategy Review Panel was also established with leaders in the library and archival communities to review, to provide final approval and champion the emerging strategy.	Ongoing Met Met		
2.2 We will enhance the management and delivery of content from our collection by: a. Developing a framework for using metadata, elements of descriptive information about archival and bibliographic resources, as a new approach for enhanced user access to our collection. b. Designing and implementing the next generation system called AMICAN that will provide a single point of access to the holdings of LAC.	a. We have begun implementing the Metadata Framework for Resource Discovery. We also developed a new physical control and circulation system which we will use in our Federal Record Centers across Canada. b. Our commitment to designing and implementing AMICAN during 2006-2007 centered on beginning a field trial for "Federated Search". This will be improved and expanded based on input from staff and clients in coming years. Clients are able to search our up-to-date, major information repositories through a user-friendly interface with a single client sign-on capability for all of LAC's services.	Ongoing Met		
2.3 We will address the Auditor General of Canada's recommendations for the care of Canada's documentary heritage collection by: a. Developing strategies and a	a. We developed a collection survey framework to help us obtain a "snapshot" of the condition of the whole LAC. We also carried out a specific survey of our collection of	Partially met		

Program Activity 2: Managing the documentary heritage of interest to Canada				
Commitments/Deliverables	**Program Activity Expected Result**	**Performance Status**	**2006–2007**	
			Planned Spending	**Actual Spending**
collection management framework, implementing mechanisms to obtain comprehensive information on the nature and condition of the collection, and beginning to develop a risk management framework.	524 'Indian Affairs' Treaties. Each one was examined and assessed based on material composition, past treatment and current condition. The survey also guided the design of a pilot project to identify effective and non-invasive techniques to document the rate of preservation of treaty records. In partnership with Industry Canada's Communication Research Centre in Ottawa, we secured funding approval for a new Cellulose-Nitrate Preservation Facility. The facility is scheduled for completion by September, 2009.			

Program Activity 3: Making the documentary heritage known and accessible for use.				
Commitments/Deliverables	**Program Activity Expected Result**	**Performance Status**	**2006–2007**	
			Planned Spending	**Actual Spending**
3.1 We will improve service to Canadians by: a. Re-designing client services, strengthening service performance measurement, and providing seamless, efficient and multi-channel access to Canada's documentary heritage collection. b. Improving processes for providing access to government records.	a. We have completed the integration of services to the public including the Canadian Genealogy Centre. A new reference model provides access to reference experts and content specialists. We have established partnerships, notably with *The Generation Network*, to improve and facilitate access to our collections. b. We have improved the effectiveness and efficiency of our processes and addressed the recommendations of our internal task force on Access to Government Information Services, including eliminating the backlog of responses to user requests for government information received under the Access to Information Act and the Privacy Act, and received an A grade from the Information Commissioner in his annual report for 2006-07.	Met Met	**$29,564,000**	**$30,183,000**
3.2 We will enhance Canadians' knowledge and understanding of their documentary heritage by: a. Delivering innovative programming to meet the diverse information needs of Canadians across the country.	a. We implemented the Strategy for Public Programming. To assist in the planning and development for future products LAC commissioned a niche market study. b. In 2005-2006 LAC launched the National Archival Development	Met Met		

Program Activity 3: Making the documentary heritage known and accessible for use.				
Commitments/Deliverables	Program Activity Expected Result	Performance Status	2006–2007	
			Planned Spending	Actual Spending
b. Assisting in the development of Canada's archival system through a transfer payment program.	Program (NADP) to provide financial assistance to Canadian archives to increase their capacity to preserve and make accessible archival material across Canada. First steps were taken to target projects that increase awareness and access to archives and to give new support to aboriginal archives. LAC developed a performance measurement plan for the program in collaboration with its third party deliverer, the Canadian Council of Archives.			
3.3 We will develop and implement programs of the Portrait Gallery of Canada to enhance the display of the collection by: a. Maintaining and enhancing the Gallery's awareness activities and collection development, and its web presence on LAC's Web site. b. Developing needed program supports, such as education and visitor services.	a. We have continued an active acquisition program (30 collections acquired), descriptive and research work, an intensive preservation program with Care of Collections (276 items preserved), and produced plans for an education program. We took part in several lectures, professional involvements and VIP tours. We assisted in the development of a 3D initiative that will be used by LAC in the future, and entered into new exhibition partnerships nationally and internationally. b. In conjunction with the loan of the Four Indian Kings to the National Portrait Gallery, London, the PGC curated an exhibition of contemporary aboriginal portraits at Canada House in London, which attracted 10,000 visitors.	Met Met		

YEAR IN REVIEW

Year in Review

During 2006-2007, Library and Archives Canada made progress in pursuit of our goal to be the kind of 21st century knowledge institution that integrates expertise, collections, services and programs to make known the documentary heritage of Canada. We entered the year committed to being a truly national institution in terms of the scope and diversity of our collection and increased accessibility to that collection for all Canadians. We were committed to building partnerships across Canada's archival and library community and to make LAC known as a prime learning destination for everyone interested in Canada's stories and documentary heritage. We were determined to use our role as the lead institution supporting recordkeeping and information management in the Government of Canada as the basis of helping to meet the need for increased accountability of government to citizens.

We crafted our plans for 2006-2007 in ways that recognized the importance of being a citizen-focused institution, one that responds to the needs and interests of Canadians. We based our plans on a commitment to meet the challenges and opportunities of an information universe that is increasingly digital, both in terms of a new generation of digital documentary heritage and in terms of the digital tools that Canadians use to find information. All this took place in a continuing climate of achieving the most significant results possible of importance to Canadians through the best use of our resources.

Our roles in Government of Canada information management and recordkeeping became an increasingly important aspect of our work during 2006-2007. Parliamentarians, the Auditor General and public service leaders know that better recordkeeping is fundamentally critical to providing the accountability that Canadians expect. A series of Deputy Minister Roundtables achieved consensus on the importance of effective recordkeeping and paved the way for an ADM-level task force that is moving towards a radical rethinking and renewal of federal recordkeeping, in which LAC will carry out our legislated responsibilities.

As the organization charged with responsibility for acquiring, managing and disposing of federal government records, we launched working groups that are looking for ways to improve our work under these responsibilities, in collaboration with the federal departments and agencies that generate these records. Over the coming years, government records of enduring value will be retained and managed so that they can be accessed easily, while those not needed will be disposed of, reducing unnecessary storage costs to taxpayers.

An important and ongoing responsibility that continued throughout 2006-2007 was to build our collection. Our ongoing implementation of our new Collection Development Framework underscored our commitment to make acquisitions that best meet our strategic goals for the collection. For example, we acquired many sets of papers and records that provide a window into Canada's diversity. Records relating to Aboriginal people and their institutions, many of this country's cultural communities as well as Canada's social history, complemented our successful efforts to acquire the records of

Prime Ministers and other well-known Canadians from fields such as the arts and culture.

The collection that we are building has always encompassed many media, whether paper, art, film, video, sound recordings or photography. During 2006-2007, we followed through on our commitment to capture more of Canada's new generation of digital information. The implementation of a new regulation requiring the legal deposit of electronic publications and maps with LAC helped, as did our "harvest" of government websites so that future generations will be able to see an early phase of digital information distribution to Canadians.

The other side of that digital direction was our increased emphasis on making our collection known through digital means. At one level, this meant the digitization of many items from our collection so that Canadians can experience them online. At another, it deeply influenced the direction of a partnership with the National Archives of Ireland. For many Canadians, it was clear through the launch of a new "federated search" function that enables visitors to gain better, simpler access to Canada's documentary heritage and tools through the LAC website. These advances continue to show why the LAC Collections Canada website is the most visited federal cultural website, with a 65% increase in page views alone, year over year.

At the same time, we developed or continued many exhibitions in Canada and internationally. We worked with partners across Canada to support exhibitions in many regions of Canada. We also brought an increasingly international orientation to our exhibition program, including shows that brought items from the Portrait Gallery Program to the United Kingdom and France.

The LAC commitment to responding to the needs of Canadians was equally demonstrated by our continuing improvement to Access to Information responses. After a determined effort and the necessary application of resources to re-engineer our processes, we eliminated our Access request backlog and moved from an "F" grade from the Information Commissioner to an "A" – a status that we intend to keep.

Many of our focuses for action have been long-term initiatives. This is particularly true of our work to improve LAC's infrastructure to respond to the 2003 recommendations of the Auditor General and our own recognition of the kinds of facilities we need to care properly for a collection of unique and priceless items. One step forward was approval of a new facility that, when constructed, will enable us to house old films and photographic stock that are at serious risk now.

While LAC accomplished a great deal during 2006-2007, we recognized the need to look ahead and to make strategic choices. With that in mind, we began a process of business planning to guide our choices through to 2010. The decisions guided by that plan will enable us to build on the progress we have made since the creation of Library and Archives Canada and the work of the 2006-2007 fiscal year.

ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome:

Current and future generations of Canadians have access to their documentary heritage

Program Activity #1
Managing the disposition of the Government of Canada records of continuing value

Through the issuance of Records Disposition Authorities, the development of record keeping advice, tools and guidance, and the provision of Federal Records Centre services for departments of the government of Canada, LAC enables and facilitates the management of information within federal agencies and ensures that government's archival and historical records are identified and appropriately preserved.

Financial Resources

Planned	Authorities	Actual
$14,684,000	$12,281,000	$10,881,000

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
167 FTEs	158 FTEs	9 FTEs

LAC is the lead federal government agency for recordkeeping (RK). LAC ensures that its RK programs and practices are aligned with and support government and department directions, priorities and strategic outcomes. We understand Government of Canada business priorities and position our RK solutions accordingly.

Strategic Commitment 1.1

We will provide advice to enable a business-based approach to information management across federal government departments and agencies, through sound recordkeeping by:

a) Promoting the roles of IM and recordkeeping as essential to the success of the continuous improvement agenda of the Government of Canada, and collaborating with government departments and agencies to establish a government-wide recordkeeping infrastructure linked to government's business objectives and accountabilities.

A recommendation of the Auditor General in her 2003 report was that LAC should implement the planned new method of selecting and acquiring records of historic value and should adopt the management tools necessary to allow it to measure how well it protects federal government records of archival value. This led to action by LAC and by the Librarian and Archivist of Canada which gained the support of the Clerk of the Privy Council and the Secretary of the Treasury Board. They recognized the need to engage departments in improving records management as a support to better governance and accountability.

Key achievements under this strategic commitment

The focus of action was a series of round tables of deputy ministers during fall 2006 on information management and recordkeeping. One key outcome was a set of working groups to examine specific issues. Another was the creation of an LAC-led ADM-level Task Force on Recordkeeping to develop a way forward and to recommend an action plan on the creation and implementation of a sustainable culture and regulatory regime for recordkeeping in government. This recognized the substantial challenges to be addressed and that the targeted end state will involve a significant culture change that has to be supported with innovations in terms of policies, procedures and tools. The new regulatory regime will increase awareness and understanding of the value of recordkeeping once new tools are developed and in place.

Strategic Commitment 1.2

We will contribute to improving the use and management of information throughout their life cycle by:

a) Establishing a strategy to ensure that electronic records are effectively managed throughout their life cycle and ensuring that electronic systems and electronic recordkeeping are the Government of Canada's preferred means of creating, using and managing records.

In partnership with Transport Canada and the Treasury Board Secretariat, we successfully completed a pilot online transfer of electronic archival records. We also developed guidelines related to common administrative records supported by plans for information sessions in 2007-2008. The development of these tools will ensure that the Government of Canada is in a better position to manage its electronic records effectively.

b) Completing a functional and business activity-based classification scheme for government's business records and developing recordkeeping metadata.

We developed a function-based classification model for government business records and began to explore adapting the methodology for all government institutions. Our plans to implement the model fully within the next two years will depend on our progress in adapting the methodology. We also tested an approach to metadata with federal institutions that use the Records and Document Information Management System

(RDIMS). The results pointed to a need for decisions on next steps, which meant a deferral of the original commitment to develop training packages.

Strategic Commitment 1.3

We will provide valued, cost-effective information management and recordkeeping services to the Government of Canada by:

a) Developing a new model for storing records of business value to the Government of Canada in all media.

We developed options for a new storage model. Implementation will depend on the decision made regarding the preferred option and the timing of that decision. We also developed approaches to clear the backlog of legacy records.

b) Developing and implementing the initial phase of a strategy to increase the capacity.

As part of our strategy to enable federal libraries to provide the best possible and most cost-effective library services, we focused on strengthening the Council of Federal Libraries Secretariat and Consortium[1]. Both help to coordinate federal library services and address interdepartmental human resources initiatives. As a step forward in providing electronic library services, an analysis took place of the Consortium's proposed Desktop Tools initiative, which currently centres on an eLibrary project providing better information access to meet the needs of federal science-based department and agencies.

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[1] For more information please consult the following websites:
Council of Federal Libraries: http://www.collectionscanada.ca/cfl-cbgf/index-e.html
Council of Federal Libraries Consortium: http://www.collectionscanada.ca/consortium/index-e.html

Program Activity #2
Managing the documentary heritage of interest to Canada

The building of a national documentary resource for all aspects of the study of Canada is fundamental to the mandate of the Library and Archives of Canada. The Library and Archives Canada collection consists of published and unpublished materials in a variety of formats acquired through Legal Deposit, Agreements with government institutions and selected private materials purchased or received by donation. To access the contents of collections, they must be described. Description can take many forms and provide various layers of access but is governed by nationally and internationally accepted codes of practice. At the same time, holdings are also described to meet Canadians' expectations for timely and equitable access. Once materials enter the LAC collection they are managed to ensure their long-term preservation and accessibility through policies, procedures and various programs including storage, conservation, and preservation and copying. To fulfill its role as a permanent repository of the government records and publications, Library and Archives Canada enters into agreements with government institutions to ensure that documents of historical and archival value are eventually transferred to LAC.

Financial Resources

Planned	Authorities	Actual
$87,330,000	$70,030,000	$65,102,000

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
689 FTEs	680 FTEs	9 FTEs

Most of the core responsibilities under this program activity involve operations that build and maintain LAC's documentary heritage collection. Their success is demonstrated through opportunities for Canadians to discover and use our rich and constantly-growing collection. Our strategic commitments under this program activity represent a longer-term process of bringing a more structured, targeted approach to many of our key functions.

Strategic Commitment 2.1

We will ensure that Canada's documentary heritage is acquired and preserved by:

a) Developing an acquisition strategy in the context of collaborative partnerships with other institutions across Canada.

A fundamentally important function under this program activity is the work of building our collection. During 2006-2007, we continued our move to align our collection

development activities with LAC's strategic directions and priorities. This includes a strong emphasis on ensuring that our collection includes important examples of Canada's growing digital information products, such as websites and electronic publications, particularly since these can so easily disappear. The result already is a collection that is more broadly representative of Canada's documentary heritage and a much clearer strategy to guide future collection-building actions.

Key achievements under this strategic commitment

The March 2005 LAC Management Board approval of a new Collection Development Framework[2] signalled a new policy direction and established a framework for collection development activities based on LAC strategic directions and priorities. In implementing this framework, our Canadian Archives and Special Collections Branch set priorities for its acquisition efforts up to 2010. These include developing closer ties between the acquisition of published and non-published heritage materials, addressing issues related to the heritage of more marginalized groups, taking on the challenge of the growth of digital records and considering what society considers important in terms of what should be remembered and forgotten. Acquisition takes place through many channels, including legal deposit of publications, transfer of government records, gifts, exchanges, purchases, internet sampling, and soon, commissioned works for the Portrait Gallery of Canada. Due to the number of staff involved in this activity; the numerous points of entry; and the wide variety of formats and subject matter acquired, the development of LAC policies and strategies concerning development of the collection can be challenging and require a coordinated effort.

Glenn Gould at the piano, with his dog and his budgie, ca 1944

b) Extending legal deposit to electronic publications and maps.

On January 1, 2007, a new regulation came into force that requires the legal deposit of electronic publications[3], which adds to the growth of LAC's digital collection. We supported the implementation with new guidelines for Legal Deposit and responded to questions from new publishers and through presentations to stakeholders to support implementation of the new regulation. We began to draft a communications plan for target groups such as the Government of Canada, scholarly journals and some commercial publishers. In the first three months of the new regulation, LAC acquired

[2] For more information on the new *Collection Development Framework*, please consult the following website: http://www.collectionscanada.ca/collection/024/index-e.html

[3] For more information on the legal deposit of electronic publications, please consult the following website: http://www.collectionscanada.ca/electroniccollection/003008-1000-e.html

about 1,200 electronic titles, which required us to redirect some of our staff time and begin development of the infrastructure for a more automated process.

c) Addressing the challenges of acquiring, managing and preserving digital collections.

During the year, we moved on a variety of fronts to address the challenges and opportunities of acquiring, managing and preserving Canada's digital documentary heritage. One element of this work was to investigate the possibilities offered by the JPEG 2000 standard for the storage and use of our digital collection. We expanded our ongoing program of digitizing items in our holdings to respond to internal requirements and used ongoing support from the Department of Canadian Heritage's Canadian Culture Online program. Over seven million digital images of library and archival material were produced in 2006-2007.

A multi-year goal in terms of our digital collection building and management is to become a Trusted Digital Repository (TDR). To achieve that status we have to meet accepted standards. Our TDR work will strengthen the leadership role LAC has assumed in developing the Canadian Digital Information Strategy, discussed below, and will help to foster a network of TDRs across Canada. We also began to develop the technical infrastructure needed to enable us bring in and store items for our digital collections and make them accessible to users. During 2006-2007, we completed the functional and technical specifications as well as a technical architecture for the first phase of the TDR, which we call the Virtual Loading Dock (VLD). We will use the VLD initially to facilitate the legal deposit of electronic publications and the acquisition of government electronic records.

To support and guide these and other digital information initiatives, LAC introduced policies on digital collection development, website selection and web resource discovery and began to draft a Digital Preservation Policy. We put a governance framework in place to oversee key elements of our digital policy and digital standards.

d) Archiving Web sites of interest to Canada.

Software enabled us to conduct two "harvests" of the Government of Canada web domain (totalling nearly 100 million digital objects), as well as the web domains of all provinces and territories.

e) Addressing the Auditor General of Canada's recommendations for protecting government records of archival and historical value.

An ongoing LAC responsibility is the appraisal and disposition of records under the control of Government of Canada institutions. This undertaking primarily involves the implementation of the Government Records Appraisal and Disposition Program. It supports the granting of Records Disposition Authorities (RDAs), which permit government institutions to dispose of records without business value.

During 2006-2007, we continued our ongoing activities such as recordkeeping advice and monitoring compliance with the disposition requirements of the *LAC Act* by maintaining database structures and follow-up procedures for all RDAs and Agreements. We received 18,288 containers of records and completed 531 accessions representing approximately three kilometres of government textual records.

We built on that work by completing RDAs related to the entire immigration function at Citizenship and Immigration Canada and a new Multi-Institutional Disposition Authority (MIDA) for operational case files. The MIDA recognized the serious recordkeeping and long-term storage and access problems related to the individual case files that many departments and agencies create through day-to-day operations. We used intense research, extensive consultation and rigorous testing to shape the MIDA. We believe it will become a vital tool for the effective management of vast amounts of government information - and will have a profound impact on the way that LAC and the entire government manage the disposition of these files.[4]

f) Working with others toward a national strategy for digital information production, preservation and access.

A primary focus for our leadership role on library and archival issues in Canada was our work with many partners on the development of a Canadian Digital Information Strategy (CDIS). The CDIS vision is to ensure that Canada's digital information assets are created, managed and preserved in such a way that a significant digital record of Canada and of Canadians is accessible for present and future generations.[5]

The National Summit in Montebello, Quebec in December 2006 was the culmination of an initial exploratory meeting in Ottawa and four thematic meetings held across Canada. More than 100 delegates representing most sectors and regions discussed and agreed broadly on elements of the Strategy, priority activities and next steps. After the Summit, the Strategy Development Committee (a pan-Canadian representative body formed to guide and rapidly advance the collaborative development of CDIS worked to finalize, validate and consult further on the Strategy. A Strategy Review Panel was also established with leaders in the library and archival communities to review, provide final approval and champion the emerging strategy.

Strategic commitment 2.2

We will enhance the management and delivery of content from our collection by:

a) Developing a framework for using metadata, elements of descriptive information

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[4] For more information on Information Management please consult the following website: http://www.collectionscanada.ca/information-management/index-e.html

[5] For more information on the *Canadian Digital Information Strategy* please consult the following website: http://www.collectionscanada.ca/cdis/index-e.html

about archival and bibliographic resources, as a new approach for enhanced user access to our collection.

Library and Archives Canada has an extremely diverse collection. For LAC staff to manage the collection and for Canadians to find what they want in it, the most consistent and effective ways of describing items in the collection have to be in place along with systems that make it easy for Canadians to find items of interest in that collection. This has made the development of modern metadata frameworks and automated accessing systems a critical LAC priority.

Key achievements under this strategic commitment

The *Metadata Framework for Resource Discovery* was approved by Management Board, June 2006. It sets an overall direction within which LAC policies, practices and plans related to resource description will be developed, which will lead to new ways for LAC to organize and describe our resources. The eventual result will be easier access and more widespread and wide-ranging use. [6]

b) Designing and implementing the next generation system called AMICAN that will provide a single point of access to the holdings of LAC.

Our commitment to designing and implementing AMICAN during 2006-2007 centred on beginning a field trial for "Federated Search", which allows users to do comprehensive searches of the major descriptive systems that LAC has in place now. This will be improved and expanded based on input from staff and clients in coming years.

In addition to the commitments outlined in the RPP, we also developed a new physical control and circulation system which we will use in our Federal Record Centres across Canada. When fully implemented, those Centres will have a single corporate application/service that allows all new LAC developed applications to manage contact information in one central database.

Strategic commitment 2.3

We will address the Auditor General of Canada's recommendations for the care of Canada's documentary heritage collection by:

a) Developing strategies and a collection management framework, implementing mechanisms to obtain comprehensive information on the nature and condition of the collection, and beginning to develop a risk management framework.

In 2003, the Auditor General of Canada made a series of recommendations that were meant to bring about improvements in the care of the LAC collection, supported by better information on the state of the collections and the use of risk management processes to

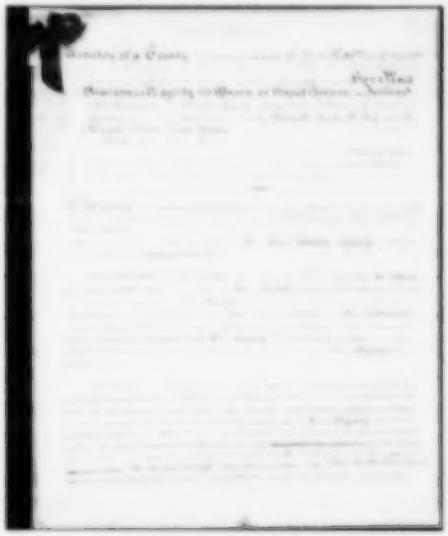
[6] For more information on the *Metadata Framework for Resource Discovery* please consult the following website: http://www.collectionscanada.ca/9/17/s17-221-e.html

guide priority setting. Since that time, LAC has been taking action to achieve the goals expected in that report.

Key achievements under this strategic commitment

During 2006-2007, LAC developed a collection survey framework to help us obtain a "snapshot" of the condition of the whole LAC collection and obtain reliable data on the holdings most at risk. This will lead to a survey methodology and implementation. There have been challenges in defining "risk" across such a varied collection and in designing a statistically sound survey for such a large and diverse collection, which is stored in multiple facilities and catalogued to different levels.

We carried out a specific survey of our collection of 524 'Indian Affairs' Treaties. Each one was examined and assessed based on material composition, past treatment and current condition. This will enable our preservation staff to plan future preventative conservation needs for these holding and manage risks concerning their future use. The survey also guided the design of a pilot project to identify effective and non-invasive techniques to monitor and document the rate of preservation deterioration of treaty records.



Indian Treaties Survey
Source: IT 296, RG10, Indian Affairs, D-10-a

Another element in our response was continuing attention to our short and long-term infrastructure requirements. We secured funding approval for a new Cellulose-Nitrate Preservation Facility at a site in partnership with Industry Canada's Communication Research Centre in Ottawa. Scheduled for completion by September, 2009, this facility will house LAC's collection of cellulose-nitrate based photographic and motion picture heritage. It will provide a preservation environment meeting international standards.

Program Activity #3
Making the documentary heritage known and accessible for use

All materials that become part of the LAC collection are intended for use by those interested in Canada. LAC provides information and services including consultation, research and lending, across multiple channels to facilitate access to the documentary heritage by a wide variety of clients. It also establishes activities, such as the learning program and encourages or organizes activities such as exhibitions, publications and performances, to make known and interpret the documentary heritage. LAC also provides information resources and standards such as the national catalogue and supports the infrastructure necessary to ensure its accessibility to those interested in Canada.

Financial Resources

Planned	Authorities	Actual
$29,564,000	$33,645,000	$30,183,000

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
309 FTEs	288 FTEs	21 FTEs

The ongoing work under this program activity relates to the efforts of the Library and Archives of Canada staff who develop and deliver the program and services that enable Canadians and people in other countries who are interested in Canada's documentary heritage to have access to our collections and resources. Some of this involves the creation of programs that focus attention on particular elements of Canadiana and that help people to understand Canadian stories – through our facilities and, increasingly, through the use of the internet. These are supported by the people in LAC reference services who assist users in finding the items in our collections that are of most interest and relevance, supported by an expanding range of self-service tools. They also help users find items from other collections that we do not have. Our location at 395 Wellington Street in Ottawa is our primary site for public programming including exhibitions, readings, films, lectures, concerts and special events.

Strategic Commitment 3.1

We will improve service to Canadians by:

a) Re-designing client services, strengthening service performance measurement, and providing seamless, efficient and multi-channel access to Canada's documentary heritage collection.

To support the integration of LAC client services, we completed the redesign and rearrangement of our on-site client service spaces at our 395 Wellington location. Clients can now consult all our special collections, including rare books, literary manuscripts,

photographs, art work, maps, architectural plans and philatelic material in a redesigned, larger space that provides more work space for clients and allows for better supervision of these records.

As part of this process, we consolidated all our published and unpublished research tools related to genealogy in our Canadian Genealogy Centre[7]. To support this service improvement, we recatalogued approximately 8,000 publications to allow the full integration of the collection into the new public room. This was linked to LAC's development and initial implementation of an institution-wide genealogy strategy that aims to reach audiences who are interested in genealogy and encourage them to use LAC's (and our partners') collections to understand a family's history in the context of Canada's development as a nation.

The Query Management System (QMS), which began implementation in 2005-2006, was expanded. It is used to register and track all requests for services and information (research, copying etc.) received by LAC. This new system will provide a comprehensive picture of how our services are used, by whom and the extent to which they are used. Its support to service improvement is being complemented by a new comment card system enabling regular client surveys.

We implemented a new Reference Program that seeks to provide seamless and efficient access to our documentary heritage collection. It ensures that service to clients is supported across the institution, including access to the holdings of LAC and the expertise of our staff.

LAC participated in the Sm@rt Library initiative that has the objective of reciprocal borrowing agreements among public and academic libraries in the National Capital Region to enhance access and share library resources by lending material directly to clients of libraries in the consortium. Further, LAC explored expanding its Interlending Services to encompass the loan of original archival records to researchers in selected partner institutions, in order to enhance regional access to Canada's documentary heritage. A pilot project in 2007-08 will allow us to test assumptions and develop accurate costing for this proposed new service.

With a view to creating a new business model for the collection and redistribution of surplus library material, LAC undertook an assessment of the operations of the Canadian Book Exchange Centre and has begun to implement recommendations related to the streamlining of these operations.

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[7] For more information on the *Canadian Genealogy Centre*, please consult the following website: http://www.collectionscanada.ca/genealogy/022-607.001-e.html

As discussed under Program Activity 1.2 in more detail, we proceeded with our "federated search" initiative that is beginning to provide Canadians with a single efficient point of online access to LAC holdings. To track results and guide future directions in client service, we developed and began to implement a Performance Measurement Framework for programs and client services. It sets out specific performance indicators, baseline data, methodologies and targets for each indicator. To ensure that we have the results-oriented culture that will make the most of the new framework, we organized a performance measurement workshop. It informed staff about the purpose and benefits of measuring performance; strengthened the culture of performance measurement throughout LAC; and assisted operational staff to develop performance measurement skills.

We completed the first twelve month cycle of all client services performance measurement since the creation of LAC. This will enable us to begin to analyze our client service performance and will complement the results of the new Framework.

b) Improving processes for providing access to government records.

In addition to the activities described under Program Activity 1.1 to improve government-wide recordkeeping, we began a Government Records Accessibility Initiative during 2006-2007. The initiative should result in the policies, strategies and methodologies for all facets of the work necessary to make government records more accessible to Canadians. It will integrate implementation of the recommendations of the LAC Access to Government Information Services Task Force and take into account accommodation infrastructure needs. The first phase of the project has involved efforts by four working groups. The first group addressed the disposition and transfer of government records to LAC including a review of existing terms and conditions for the transfer of archival records. The second group focused on LAC administration of access to information and privacy legislation. The third working group concentrated on re-engineering the processes associated with the actual acquisition of government records. The fourth group examined the legacy challenges posed by the more than 130 kilometres of government textual records currently under LAC's control, with the objective of identifying records that can be destroyed, thus freeing up storage space; defining basic and advanced levels of accessibility for those that are essential; and identifying a plan – with set priorities – for bringing all archival government records up to their appropriate level of accessibility.

Strategic Commitment 3.2

We will enhance Canadians' knowledge and understanding of their documentary heritage by:

a) Delivering innovative programming to meet the diverse information needs of Canadians across the country.

Political cartoon by Leonard Norris, depicting a group of men working on new words for the Canadian national anthem, looking at the new flag for inspiration. The caption reads: "...what we're seeking, gentlemen, are words as brilliant, stirring and inspired as this wadjamacallit...," March 17, 1967

In 2006-2007, LAC began to implement our new Strategy for Public Programming. The strategy recognizes the importance of reaching Canadians through the LAC website. During the year, we launched more than a dozen online exhibitions including: *Building a Just Society: A Retrospective of Canadian Rights and Freedoms*[8], *Moving Here, Staying Here: The Canadian Immigrant Experience*[9], and *Aboriginal Documentary Heritage*[10]. We developed many of our online products in collaboration with partners as diverse as the Prime Minister's Office and other government departments, the Honourable E. Peter Lougheed and George Elliott Clarke.

LAC and the National Archives of Ireland (NAI) began a multi-year partnership that seeks to organize special events and to digitize and provide online access to the Irish census returns for 1901 and 1911. As part of this initiative, we launched *The Shamrock and the Maple Leaf*[11] which includes Irish-Canadian documentary heritage at LAC and essays on the Irish in Canada by Canadian and Irish historians. We hosted an Irish Studies Symposium in September 2006 with the support of the NAI, University of Ottawa and the Irish Embassy to Canada. LAC and NAI also began to explore future collaborative web projects and events with Parks Canada.

This year, LAC implemented new social technologies which are allowing interaction between our users and us through our website, beginning with our Faces of War (Wiki) and Old Messengers-New Media (Forum).

A visitor pattern analysis study showed the success that LAC and our collaborators have had in increasing interest and awareness in Canada's

[8] http://www.collectionscanada.ca/rights-and-freedoms/index-e.html
[9] http://www.collectionscanada.ca/immigrants/index-e.html
[10] http://www.collectionscanada.ca/aboriginal-heritage/index-e.html#start
[11] http://www.collectionscanada.ca/ireland/index-e.html

documentary heritage online. Of our million website visitors a month, a quarter are home users, students, schools and school boards.

LAC made progress on a new website for the Portrait Gallery of Canada[12]. We also moved forward on the concept and vision for a forum on Canadian democracy with implementation to begin during 2007-2008.

The TD Summer Reading Club is a major way that we connect with youth and is one of LAC's most substantial partnerships. This year marked the mid-point of the current three-year LAC partnership agreement with TD Bank Financial Group for this initiative. Approximately 2,000 public library branches participated in the Club and presented the program to 350,000 youth. A new French website for the Club enhanced its reach.[13]

LAC continued to develop learning products, largely as components of our various Web products. At our 395 Wellington Street, Ottawa site we marked Semaine de la littérature jeunesse and Canadian Children's Book Week. We also nurtured relationships with the educational and related communities, including the establishment of curriculum partnerships with Historica and Curriculum Services Canada and hosting our annual event for the recipients of the Governor General's Award for Excellence in Teaching History.

Another aspect of our work to implement the Strategy for Public Programming was to undertake a niche market study. It encouraged us to consider moving some of our current programming resources in order to seize other opportunities, which is expected to lead to decisions in 2007-2008.

Exhibitions and cultural programs provided Canadians with the opportunity for in-person experiences with the collection in Canada's Capital Region and elsewhere. We had an active year of travelling exhibitions with six exhibitions shown at venues in eight provinces and one in Europe. Four of them were created around regional themes with showings in Quebec, Ontario, the Atlantic Provinces and the West. We also supported continued showings of "Where are the Children? Healing the Legacy of the Residential Schools"[14], which was first produced in 2002 with the Aboriginal Healing and Legacy of

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[12] For more information on the *Portrait Gallery Program*, please consult the following website: http://www.portraits.gc.ca/index-e.html

[13] For more information on the *TD Summer Reading Club*, please consult the following website: http://www.td-club-td.ca/

[14] For more information on the exhibition "Where are the Children? Healing the Legacy of the Residential Schools", the please consult the following website: http://www.collectionscanada.ca/native-residential/index-e.html

Hope Foundations. This long-standing relationship has worked well with the Foundations managing the exhibition's tour. A partnership with the Department of Foreign Affairs and the National Arts Centre led to the production of an exhibition Canada and the Hungarian Revolution which was first shown in Ottawa before showings at Halifax's Pier 21 and in Budapest.

At our Ottawa location, LAC produced and presented exhibitions including "Many Lives, Many Stories – A Tribute to Asian Canadian Women" and "100 Years of Promoting Canadian Authors: McClelland and Stewart". A variety of a literary, film and musical programming was presented as well in collaboration with the Ottawa International Writer's Festival, National Film Board, Ottawa International Jazz Festival, Canadian Film Institute, Canada Council, Asian Heritage Month Society of Ottawa, Royal Conservatory of Music and Black History Ottawa and other partners.

b) Assisting in the development of Canada's archival system through a transfer payment program.

In 2005-2006 LAC launched the National Archival Development Program to provide financial assistance to Canadian archives to increase their capacity to preserve and make accessible archival material across Canada. First steps were taken to target projects that increase awareness and access to archives and to give new support to aboriginal archives. LAC developed a performance measurement plan for the program in collaboration with the Canadian Council of Archives, which delivers the program.[15]

Strategic Commitment 3.3

We will develop and implement programs of the Portrait Gallery of Canada to enhance the display of the collection by:

a) Maintaining and enhancing the Gallery's awareness activities and collection development, and its web presence on LAC's Web site.

The year 2006-2007 proved to be a very active year for our Portrait Gallery of Canada (PGC), despite the suspension of the building project. This included an active acquisition program (30 collections acquired), descriptive and research work, an intensive preservation program (276 items preserved), and plans for an education program. We were involved in the development of a 3D initiative for future use, and entered into new exhibition partnerships.

The PGC was heavily involved in the Yousuf Karsh – Portraits exhibition in Paris and Nice, which attracted

[15] For more information on the *National Archival Development Program*, please consult the following website: http://www.collectionscanada.ca/archives/042-200-e.html

18,000 visitors. We also arranged and oversaw the loan of John Verelst's "Four Indian Kings" to the exhibition "Between Worlds: Voyagers to Britain 1700-1850", which attracted 130,000 visitors to Britain's National Portrait Gallery in London.

Photo: Christophe Lebrun /
Canadian Cultural Centre, Paris

b) Developing needed program supports, such as education and visitor services.

In conjunction with the loan of the Four Indian Kings to the National Portrait Gallery, London, the PGC curated an exhibition of contemporary aboriginal portraits at Canada House in London, which attracted 10,000 visitors.

The 'Indian Kings' return to London

OTHER ITEMS OF INTEREST

In our Report on Plans and Priorities for 2006-2007, Library and Archives Canada noted that our corporate management activities would strengthen our capacity to be an organization that is:

- strategic and outcome-focused;
- empowered by a strong, bilingual and diverse workforce;
- open and continuously learning;
- technology-enabled;
- home to a healthy, accessible and supportive work environment; and
- flexible and transparent.

A centrepiece of LAC efforts was the progress against the commitments set out in the Management Accountability Framework (MAF), which reflects our work on issues such as planning, reporting and many aspects of administration and management of human, financial and other resources. The LAC MAF assessment conducted by Treasury Board Secretariat led to commendation for LAC performance in areas such as governance and planning, the integration of our HR and business planning functions, our reporting to Parliament and procurement and contract management.

Opportunities for improvement were noted in three particular areas, which then defined focuses for LAC action: leadership and communication on public service values and ethics; progress towards the goals of the Embracing Change action plan; and further development of the Management Resources and Results Structure performance measurement framework. As part of this last item, we revised our Program Activity Architecture in 2006-2007 and will revise our performance measurement framework in 2007-08 to reflect our PAA changes.

For the second straight year, we received a grade of "A" from the Receiver General for the timeliness and accuracy of our accounting-related receiver general submissions. This was complemented by a numerical grade that rose from 92% in 2005 to 100% for 2006.

Human resource (HR) issues were central to our 2006-2007 corporate management commitments both in light of our recognition of HR priorities to be addressed and the new Public Service Modernization Act. We developed the necessary policies to operate under the new PSMA environment in consultation with human resources professionals and union representatives and adjusted them based on initial experience. Following through on a major 2006-2007 commitment, we developed a learning framework and began to identify learning priorities for 2007-2008. We continued to strengthen our relationship with unions through union-management consultation vehicles that were beneficial in discussing and resolving issues throughout the year.

Ensuring the arrival of a new generation of LAC employees was a high priority. A targeted recruitment program reached all library/archives studies programs in Canadian universities and some in the United States. This helped us staff 43 positions with first time public servants and address the under representation of Aboriginal peoples and visible minorities, where we have more to do.

The King and Queen of Sweden visit the LAC Preservation Centre

Photo: Jean-Marc Carisse

FINANCIAL INFORMATION

Financial Information

Library and Archives Canada Financial Performance Overview

Table 1: Comparison of Planned to Actual Spending (including Full-time Equivalents)

($ thousands)	2004–05 Actual	2005–06 Actual	2006–07			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
1.1 Managing the disposition of the Government of Canada records of continuing value	12,465	12,315	12,180	14,684	12,281	10,881
1.2 Managing the documentary heritage of interest to Canada	70,270	68,554	68,068	87,330	70,030	65,102
1.3 Making the documentary heritage known and accessible for use	30,476	33,031	28,823	29,564	33,645	30,183
Total	**113,211**	**113,900**	**109,071**	**131,578**	**115,956**	**106,166**
Less: Non-respendable revenue	291	422	N/A	38	N/A	247
Plus: Cost of services received without charge*	41,972	43,377	N/A	43,627	N/A	44,539
Total Departmental Spending	**154,892**	**156,855**	**109,071**	**175,243**	**115,956**	**150,458**
Full-time Equivalents	1,147	1,128	N/A	1,165	N/A	1,126

1- Total Planned Spending includes $18,936 re-profiled to future years
2- Total Authorities includes $8,831 in frozen allotment

Table 2: Resources by Program Activity

2006-2007 ($ thousands)							
	Budgetary						Total
Program Activity	Operating	Grants	Contributions and Other Transfer Payments	Total : Gross Budgetary Expenditures	Less : Respendable Revenue	Total : Net Budgetary Expenditures	
1.1 Managing the disposition of the Government of Canada records of continuing value							
Main Estimates	12,180	-	-	12,180	-	12,180	12,180
Planned Spending	14,684	-	-	14,684	-	14,684	14,684
Total Authorities	12,281	-	-		-	12,281	12,281
Actual Spending	10,881	-	-		-	10,881	10,881
1.2 Managing the documentary heritage of interest to Canada							
Main Estimates	68,068	-	-	68,068		68,068	68,068
Planned Spending	87,330	-	-	87,330		87,330	87,330
Total Authorities	69,993	37	-	70,030	-	70,030	70,030
Actual Spending	65,065	37	-	65,102	-	65,102	65,102
1.3 Making the documentary heritage known and accessible for use							
Main Estimates	27,597	-	1,776	29,373	550	28,823	28,823
Planned Spending	28,338	-	1,776	30,114	550	29,564	29,564
Total Authorities	31,960	-	2,235	34,195	550	33,645	33,645
Actual Spending	28,429	-	2,169	30,598	415	30,183	30,183

Table 3: Voted and Statutory Items

($ thousands)

Vote or Statutory Item	Truncated Vote or Statutory Wording	2006–07 Main Estimates	2006–07 Planned Spending	2006–07 Total Authorities	2006–07 Total Actuals
50	Program expenditures	97,430	119,937	104,623	94,906
(S)	Contributions to employee benefit plans	11,641	11,641	11,057	11,057
(S)	Spending of proceeds from the disposal of surplus Crown Assets	-	-	276	203
	Total	**109,071**	**131,578**	**115,956**	**106,166**

1- Total Planned Spending includes $18,936 re-profiled to future years
2- Total Authorities includes $8,831 in frozen allotment

Table 4: Services Received Without Charge

($ thousands)	2006–2007
Accommodation provided by Public Works and Government Services Canada	39,414
Contributions covering the employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds); employer's contribution to employees' insured benefits plans and associated expenditures paid by the Treasury Board of Canada Secretariat	5,066
Worker's compensation coverage provided by Human Resources and Social Development Canada	55
Salary and associated expenditures of legal services provided by Justice Canada	4
Total 2006–2007 Services received without charge	**44,539**

Table 5: Sources of Respendable and Non-Respendable Revenue

Respendable Revenue

($ thousands)	Actual 2004-2005	Actual 2005-2006	2006-2007 Main Estimates	2006-2007 Planned Revenue	2006-2007 Total Authorities	2006-2007 Actual
Managing the documentary heritage of interest to Canada						
Services Fees	355.1	-	-	-	-	-
Making the documentary heritage known and accessible for use						
Services Fees	108.0	487.0	550.0	550.0	550.0	415.1
Total Respendable Revenue	**463.1**	**487 .0**	**550.0**	**550.0**	**550.0**	**415.1**

Non-Respendable Revenue

($ thousands)	Actual 2004-2005	Actual 2005-2006	2006-2007 Main Estimates	2006-2007 Planned Revenue	2006-2007 Total Authorities	2006-2007 Actual
Managing the disposition of the Government of Canada records of continuing value						
Refunds of previous years, expenditures	36.1	11.1	-	-	-	8.9
Adjustments to prior year's payables	11.3	15.1	-	-	-	6.9
Proceeds from the disposal of surplus Crown Assets	31.8	23.1	-	-	106.4	12.8
Miscellaneous revenues	-	4.6	-	4.6	-	4.5
Other adjustment	-	1.7	-	-	-	(0.3)
Managing the documentary heritage of interest to Canada						
Refunds of previous years, expenditures	19.4	54.3	-	-	-	30.7
Adjustments to prior year's payables	111.6	76.7	-	-	-	19.8
Proceeds from the disposal of surplus Crown Assets	49.0	116.4	-	-	129.0	75.1
Miscellaneous revenues	-	23.3	-	25.4	-	25.4
Other adjustment	(56.0)	8.3	-	-	-	(1.4)
Making the documentary heritage known and accessible for use						
Refunds of previous years, expenditures	36.3	13.2	-	-	-	24.8
Adjustments to prior year's payables	29.2	24.4	-	-	-	6.1
Proceeds from the disposal of surplus Crown Assets	13.0	37.1	-	-	40.4	24.9
Miscellaneous revenues	24.3	10.1	-	8.0	-	8.7
Other adjustment	(14.6)	2.7		-	-	(0.4)
Total non-respendable revenue	**291.4**	**422.10**	**-**	**38.0**	**275.8**	**246.5**

Table 6: Resource Requirements by Branch or Sector

($ thousands)	Managing the disposition of the Government of Canada records of continuing value	Managing the documentary heritage of interest to Canada	Making the documentary heritage known and accessible for use	Total
Documentary Heritage Collection				
Planned Spending	0	56,424	0	**56,424**
Actual Spending	0	37,548	343	**37,891**
Programs & Services				
Planned Spending	0	0	18,049	**18,049**
Actual Spending	0	0	17,961	**17,961**
Government Information Management Office				
Planned Spending	10,188	3,271	0	**13,459**
Actual Spending	7,037	3,165	66	**10,269**
Strategic Office				
Planned Spending	371	2,066	2,424	**4,861**
Actual Spending	462	2,619	2,519	**5,601**
Information technology Services				
Planned Spending	1,124	8,809	3,622	**13,555**
Actual Spending	1,046	8,730	5,206	**14,983**
Corporate Management				
Planned Spending	2,712	15,142	4,962	**22,816**
Actual Spending	2,070	11,557	3,622	**17,249**
Communications				
Planned Spending	289	1,618	507	**2,414**
Actual Spending	265	1,482	465	**2,212**
Total Planned Spending	**14,684**	**87,330**	**29,564**	**131,578**
Total Actual Spending	**10,881**	**65,102**	**30,183**	**106,166**

1- Total Planned Spending includes $18,936 re-profiled to future years
2- Total Authorities includes $8,831 in frozen allotment

Table 7-A: 2006-2007 User Fees Reporting – User Fees Act

				2006-07					Planning Years		
A. User Fee	Fee Type	Fee Setting Authority	Date Last Modified	Forecast Revenue ($000)	Actual Revenue ($000)	Full Cost ($000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue ($000)	Estimated Full Cost ($000)
Copies of textual documents and microforms, 105-mm microfiches of maps and architectural drawings documents and archival records created in electronic formats by LAC staff	(O)	*The Department of Canadian Heritage Act*, sections 8 to 12	Published in Canada Gazette, Part I, August 6, 2005	408.8	274.0	2,150.8	Regular orders are processed within 30 days of receipt For rush service see section C	95%	2007-08 2008-09 2009-10	386.7 386.7 386.7	2,204.5 2,259.7 2,316.1
Copies of documents on microform produced by clients themselves	(O)	Same as above	Same as above	51.9	47.7	154.0	Client Self-Service	100%	2007-08 2008-09 2009-10	56.4 56.4 56.4	157.9 161.8 165.8
Service fee for reproduction of documents produced by private sector suppliers	(O)	Same as above	Same as above	56.0	59.8	703.9	Upon receipt of request: For copied material approx. 6 weeks For uncopied material approx. 10-12 weeks	100% for the 6 weeks and 100% for the 10-12 weeks	2007-08 2008-09 2009-10	67.0 67.0 67.0	721.5 739.5 758.0
Postage and handling	(O)	Same as above	Same as above	27.3	28.1	28.1	Not applicable		2007-08 2008-09 2009-10	30.4 30.4 30.4	28.8 29.5 30.3
Sub-total				544.0	409.6	3,036.8			2007-08 2008-09 2009-10	540.5 540.5 540.5	3,112.7 3,190.5 3,270.2
Fees charged for the processing of access requests filed under the *Access to Information Act*	(O)	*Access to Information Act*	1992	6.0	8.9	5,657.7	30 days, or within allowable time extensions	Access to Information Act 97% of the formal requests were completed on time	2007-08 2008-09 2009-10	9.5 9.5 9.5	5,799.1 5,944.1 6,092.7
Total (O)				**550.0**	**418.5**	**8,694.5**			**2007-08** **2008-09** **2009-10**	**550.0** **550.0**	**8,911.9** **9,134.7** **9,362.9**

A. User Fee	Fee Type	Fee Setting Authority	Date Last Modified	2006-07 Forecast Revenue ($000)	2006-07 Actual Revenue ($000)	2006-07 Full Cost ($000)	2006-07 Performance Standard	2006-07 Performance Results	Planning Years Fiscal Year	Planning Years Forecast Revenue ($000)	Planning Years Estimated Full Cost ($000)

B. Date Last Modified:

N/A

C. Other Information:

The Web site *www.collectionscanada.ca/archivianet* contains further information regarding our services, prices and performance standards.

Rush service

Copies of textual documents and microforms by LAC staff			**Copies of 105-mm microfiches, maps and architectural drawings produced by LAC staff**		
Please note that written requests cannot be processed in less than 5 working days due to the following factors: registration of requests; delay of 24 hours for delivery of documents from off-site storage; identification of requested documents by staff; special handling of archival documents. Processing times apply once orders have been received in our services.			Please note that written requests cannot be processed in less than 7 working days due to the following factors: registration of requests; delay of 24 hours for delivery of documents from off-site storage; identification of requested documents by staff. Processing times apply once orders have been received in our services.		
Number of copies	**Response time**		**Number of copies**	**Response time**	
	In-person request	**Written request**		**In-person request**	**Written request**
100	Maximum of 100 copies per 24 hours	5 working days	50	Maximum of 50 copies per 24 hours	7 working days
500 – 999	5 working days	7 working days	250 – 499	5 to 10 working days	7 to 10 working days
1,000 – 1,999	10 working days		500 – 749	10 to 15 working days	
2,000 – 2,999	15 working days		750 – 999	15 to 20 working days	
3,000 – 3,999	20 working days		1,000 – 1,249	20 to 25 working days	
4,000 – 4,999	25 working days		1,250 – 1,500	25 to 30 working days	
5,000 – 6,000	30 working days				

Table 7-B: 2006–2007 Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Copies of textual documents and microforms, 105-mm microfiches of maps and architectural drawings documents and archival records created in electronic formats by LAC staff	Regular orders are processed within 30 days of receipt. For rush service see Table 8-A Section C	The processing standard of 30 days has been met at 95%. The processing standard for the rush service has been met at 100%.	There was no stakeholder consultation done, however, a comment card was developed for all LAC clients' service and it will be implemented in April 2007. In March 2006, the online order form was introduced to facilitate the ordering of copies for clients. For the first year of usage, we have noticed that 40% of the orders we now receive are sent electronically. For this year, approximately 900 clients obtained copies using their own digital camera as part of the self serve digital copying service.
Copies of documents on microform produced by clients themselves	N/A	Clients serve themselves. They pick-up the microforms from the shelf and make their own copies.	There was no stakeholder consultation done, however, a comment card was developed for all LAC clients' service and it will be implemented in April 2007. The two self-serve microform rooms were merged in October 2006. Clients now have access to a larger pool of microform readers and microform readers/printers/scanners. It has reduced by 90% the limitation on the use of these machines.
Service fee for reproduction of documents produced by private sector suppliers	Upon receipt of request: for copied material: approx. 6 weeks; for uncopied material: approx. 10 -12 weeks.	The processing standard of 6 weeks has been met at 100% and the processing standard of 10 to 12 weeks has been met at 100%.	There was no stakeholder consultation done, however, a comment card was developed for all LAC clients' service and it will be implemented in April 2007. In March 2006, the online order form was introduced to facilitate the ordering of copies for clients. For the first year of usage, we have noticed that 40% of the orders we now receive are sent electronically. For this year, approximately 900 clients obtained copies using their own digital camera as part of the self-serve digital copying service.

Financial Statements of

LIBRARY AND ARCHIVES CANADA

BIBLIOTHÈQUE ET ARCHIVES CANADA

For the year ended
March 31st, 2007

LIBRARY AND ARCHIVES CANADA

Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007 and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the Public Accounts of Canada and included in the department's Departmental Performance Report is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the Financial Administration Act, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the department have not been audited.

Ian E. Wilson
Librarian and Archivist of Canada
Date: August 9th 2007

Mark McEachern, CGA
Senior Financial Officer
Date: August 9th 2007

LIBRARY AND ARCHIVES CANADA
Statement of Financial Position (Unaudited)
As at March 31

	2007				2006
	Managing Documentary Heritage	Documentary Heritage Known and Accessible	Managing Disposal GOC Records	Total	Total
Transfer payments	37	2,155	0	2,192	2,988
Operating expenses					
Salary and employee benefits	51,146	20,417	8,501	80,064	84,042
Accomodation	26,407	8,277	4,730	39,414	38,299
Professional and special services	5,543	2,480	1,474	9,497	12,546
Repair and maintenance	2,597	981	414	3,992	5,279
Amortization of tangible capital assets	2,105	1,031	208	3,344	3,444
Utilities, materials and supplies	2,571	482	149	3,202	3,902
Communication services	1,048	755	245	2,048	2,527
Rental costs	457	1,188	104	1,749	1,217
Acquisition of machinery and equipment	982	562	181	1,725	1,813
Travel	807	373	209	1,389	1,372
Loss on disposal and write-down of tangible assets	691	230	118	1,039	29
Other	364	146	70	580	584
Total operating expenses	94,718	36,922	16,403	148,043	155,054
Total expenses	94,755	39,077	16,403	150,235	158,042
Revenues					
Sales of goods and information products	(2)	390		388	476
Gain on disposal of non-capital assets	74	23	13	110	176
Other	25	37	4	66	62
Total revenues	97	450	17	564	714
Net cost of operations	94,658	38,627	16,386	149,671	157,328

(in thousands of dollars)	2007	2006	Adjust here for Rounding 2007	Adjust here for Rounding 2006
Assets				
Financial Assets				
Accounts receivable and advances (note 4)	**985**	758	0	
Total Financial Assets	*985*	*758*		
Non-Financial Assets				
Prepaid expenses	**18**	*66*		
Tangible capital assets (note 5)	**28,558**	28,115		
Collections (note 6)	1	1		
Total Non-Financial Assets	*28,577*	*28,182*		
TOTAL	**29,562**	**28,940**		
Liabilities and Equity of Canada				
Liabilities				
Accounts payable and accrued liabilities	**9,108**	11,945	(1)	
Vacation pay and compensatory leave	**6,876**	6,683		
Deferred revenue (note 7)	**829**	832		(1)
Employee severance benefits (note 8)	**13,239**	13,842		
	30,052	33,302		
Equity of Canada	**(490)**	(4,362)		
TOTAL	**29,562**	28,940		
The accompanying notes are an integral part of the financial statements.				
Variance	0	0		

(in thousands of dollars)	2007	2006
Equity of Canada, beginning of year	**(4,362)**	(4,088)
Net cost of operations	**(149,671)**	(157,328)
Current year appropriations used (note 3)	**106,166**	113,900
Revenue not available for spending (note 3)	**(147)**	(231)
Change in net position in the Consolidated Revenue Fund (note 3)	**2,985**	(152)
Services received without charge from other government departments (note 9)	**44,539**	43,537
Equity of Canada, end of year	**(490)**	(4,362)

The accompanying notes are an integral part of the financial statements. The reader is referred in particular to Note 6 on the collections.

(in thousands of dollars)	2007	2006
Operating activities		
Net costs of operations	**149,671**	157,328
Non-cash items		
Amortization of tangible capital assets	**(3,344)**	(3,444)
(Loss) Gain on disposal and write-down of tangible capital assets	**(1,039)**	(29)
Services provided without charge from other government department	**(44,539)**	(43,537)
Variations in Statement of Financial Position		
Increase (decrease) in accounts receivable and advances	**227**	(1,646)
Increase (decrease) in prepaid expenses	**(48)**	64
(Increase) decrease in liabilities	**3,250**	(8)
Cash used by operating activities	**104,178**	108,728
Capital investment activities		
Acquisitions of tangible capital assets	**4,826**	4,858
Proceeds from disposal of tangible capital assets	**-**	(1)
Cash used by capital investment activities	**4,826**	4,857
Financing activities		
Net cash provided by Government of Canada	**(109,004)**	(113,517)
Net Cash Used	**-**	68

The accompanying notes are an integral part of the financial statements.

LIBRARY AND ARCHIVES CANADA

Notes to the Financial Statements (Unaudited)

1. Authority and objectives

Library and Archives Canada is a department within the Government of Canada and was established on May 24, 2004 as a result of the amalgamation of the former National Library of Canada and National Archives of Canada. Library and Archives Canada's role was confirmed in the 2004 *Library and Archives of Canada Act*. The Act assigns discretionary power to the Librarian and Archivist of Canada in the attainment of Library and Archives Canada's objects. Under the Act, no record under the control of a government or ministerial institution may be destroyed prior to receiving consent from the Librarian and Archivist of Canada and those records considered to be of historic or archival importance to the Librarian and Archivist of Canada, shall be transferred to the care and control of the Librarian and Archivist of Canada.

Library and Archives Canada is considered a Schedule I.1 organization within the Financial Administration Act and reports to Parliament through the Minister of Canadian Heritage.

The mandate of Library and Archives Canada is to preserve the documentary heritage of Canada for the benefit of present and future generations; to serve as a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada as a free and democratic society; to facilitate in Canada cooperation among the communities involved in the acquisition, preservation and diffusion of knowledge; and to serve as the continuing memory of the Government of Canada and its institutions.

The Documentary Heritage Collection Sector ensures that Canada's documentary heritage is collected, safeguarded and organized for current and future use. Its functions are the development, organization, and care of the collections. All collections will be developed, managed and preserved under the auspices of the Documentary Heritage Collection Sector. The Programs and Services Sector increases awareness of, access to, and use and understanding of, Canada's documentary heritage. Its two functions are delivery of services in response to client demand of all types and via all channels; and delivery of programs to promote knowledge and understanding of Canada's documentary heritage. The former is responsive to demand; the latter is proactive, anticipating the information needs of Canadians. Combined, they are the important means through which LAC delivers its mandate to make known Canada's documentary heritae. The Corporate Management and Government Records Sector supports federal institutions in the management of information and sound recordkeeping. Its primary functions include IM Strategies, IM Solutions, and IM Services.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations
Library and Archives Canada is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to Library and Archives Canada do not parallel financial reporting according to gererally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations for Parliament. Note 3 provides a high-level reconciliation between the two bases of reporting.

(b) Net Cash Provided by Government
Library and Archives Canada operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by Library and Archives Canada is deposited to the CRF and all cash disbursements made by Library and Archives Canada are paid from the CRF. Net cash provided by Governement is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund
Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues
i) Sales of goods and information products are revenues from regulatory fees and are recognized in the accounts based on the services provided in the year.

ii) Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.

iii) Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses – Expenses are recorded on the accrual basis:
i) Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements;

ii) Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement;

iii) Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

iv) Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits
i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. Library and Archives Canada's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require Library and Archives Canada to make contributions for any actuarial deficiencies of the Plan.

ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivables and advances
Accounts receivables and advances are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(h) Tangible capital assets
All tangible capital assets having an initial cost of $10,000 or more are recorded at their acquisition cost. The department does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

In Fiscal Year 2006-07, Library and Archives Canada raised its threshold for determination of capital assets from $3,500 to $10,000.

Amortization is done on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Class	Amortization Period
Machinery and equipment	5-15 years
Informatics hardware	3-10 years
Informatics purchased and developed software	2-7 years
Other equipment, including furniture	5-10 years
Motor vehicles	3-15 years
Software under development	Once in service, in accordance with asset type

(i) Collections
The collections of Library and Archives Canada are presented on the Statement of Financial Position at a nominal value of $1,000. Items purchased for the collections are recorded as an expense in the year of acquisition. Items collected from the Federal government are not recorded on the Statement of Financial Position.

(j) Measurement uncertainty
The preparation of these financial statements, in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

Library and Archives Canada receives most if its funding through annual Parliamentary appropriations. Items recognized in the statements of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, Library and Archives Canada has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences between net results of operations and appropriations are reconciled in the following tables.

(a) Reconciliation of net cost of operations to current year appropriations used

	2007	2006
	(in thousands of dollars)	
Net cost of operations	**149,671**	157,328
Adjustments for items affecting net cost of operations but not affecting appropriations: *Add(Less):*		
Services provided without charge	**(44,539)**	(43,537)
Amortization of tangible capital assets	**(3,344)**	(3,444)
Employee severance benefits	**603**	(1,399)
Vacation pay and compensatory leave	**(200)**	(325)
Reversal of previous year expenses	**97**	195
Revenue not available for spending	**147**	231
(Loss) gain on disposal and write-down of tangible capital assets	**(1,039)**	(29)
Other	**(74)**	(37)
	(48,349)	(48,345)
Adjustments for items not affecting net cost of operations but affecting appropriations *Add(Less):*		
Acquisition of tangible capital assets	**4,826**	4,858
Change in prepaid expense	**18**	64
Other	**-**	(5)
	4,844	4,917
Current year appropriations used	**106,166**	113,900

(b) Appropriations provided and used

	2007	2006
	(in thousands of dollars)	
Operating expenditures - Vote 50	**104,626**	103,135
Statutory amounts	**11,332**	12,443
Appropriations available for use	**115,958**	115,578
Less:		
Lapsed appropriations: operating	**(9,717)**	(1,515)
Appropriations available for future years	**(73)**	(163)
Refunds of amounts credited to revenues in previous years	**(2)**	-
Current year appropriations used	**106,166**	113,900

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2006	2005
	(in thousands of dollars)	
Net cash provided by Government	**109,004**	113,517
Revenue not available for spending	**147**	231
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	**(227)**	1,646
Variation in accounts payable and accrued liabilities	**(2,837)**	(1,699)
Variation in deferred revenue	**(3)**	43
Other adjustments	**82**	162
	(2,985)	152
Current year appropriations used	**106,166**	113,900

4. Accounts receivable and advances

The following table presents details of accounts receivable and advances:

	2007	2006
	(in thousands of dollars)	
Receivable from other Federal Government Departments and agencies	910	616
Receivable from external parties	61	132
Employee advances	10	10
Total	981	758

5. Tangible capital assets

Cost (in thousands of dollars)	Opening Balance	Acquisitions	Reclassification of Assets	Disposals and write-offs	Closing Balance
Machinery and equipment	2,235	-	(1,221)	(221)	**793**
Informatics hardware	9,091	1,037	(1,429)	(1,232)	**7,467**
Informatics purchased and developed software	8,293	973	1,118	(112)	**10,272**
Other equipment	29,622	172	1,177	(1,584)	**29,387**
Motor vehicles	559	-	(110)	-	**449**
Software under development	1,924	2,644	(60)	-	**4,508**
	51,724	4,826	(525)	(3,149)	**52,876**
Accumulated amortization (in thousands of dollars)	**Opening Balance**	**Amortization**	**Reclassification of Assets**	**Disposals and write-offs**	**Closing Balance**
Machinery and equipment	913	36	(199)	(140)	**610**
Informatics hardware	5,709	912	(546)	(961)	**5,114**
Informatics purchased and developed software	3,235	1,276	30	(99)	**4,442**
Other equipment	13,425	1,081	255	(910)	**13,851**
Motor vehicles	327	39	(65)	-	**301**
	23,609	3,344	(525)	(2,110)	**24,318**

Net book value (in thousands of dollars)	**2007**	2006
Machinery and equipment	183	1,322
Informatics hardware	2,353	3,382
Informatics purchased and developed software	5,830	5,058
Other equipment	15,536	16,197
Motor vehicles	148	232
Software under development	4,508	1,924
	28,558	28,115

Amortization expense for the year ended March 31, 2007 is $3,344 ($3,444 in 2006)

6. Collections

Library and Archives Canada preserves the collective memory of the nation and of the Government of Canada and contributes to the protection of rights and the enhancement of a sense of national identity.

Although not capitalized like other assets such as buildings or equipment, these irreplaceable treasures have inestimable legal, evidentiary, cultural and, indeed, monetary value for Canadians now and for generations to come. These include documentary material transferred at no charge from government departments, publications received through Legal Deposit, materials purchased and donated materials for which tax receipts may have been issued.

7. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenue stemming from donations. Some of these donations are restricted for specific purposes. Revenue is recognized each year in the amount of expenses incurred for the purposes for which the donations were received.

	2007	2006
	(in thousands of dollars)	
Balance, beginning of year	**832**	856
Add amount received from external organizations	**1,177**	965
Less revenues recognized in the year	**(1,180)**	(989)
Balance, end of year	**829**	832

8. Employee benefits

a) Pension benefits: Library and Archives Canada's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and Library and Archives Canada contribute to the cost of the Plan. The 2006-07 expense amounts to $8,148,649 ($9,053,415 in 2005-06), which represents approximately 2.2 (2.6 in 2005-06) time the contributions by employees.

Library and Archives Canada's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: Library and Archives Canada provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2007	2006
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	**13,842**	12,443
Expense for the year	**915**	3,528
Benefits paid during the year	**(1,519)**	(2,128)
Accrued benefit obligation, end of year	**13,238**	13,843

9. Related party transactions

Library and Archives Canada is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. Library and Archives Canada enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, Library and Archives Canada received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge to Library and Archives Canada:
During the year Library and Archives Canada received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the department's Statement of Operations as follows:

(in thousands of dollars)	2007	2006
Accommodations	39,414	38,299
Employer Contribution to Health and Dental Insurance	5,066	5,179
Employee compensation payments	55	52
Legal services	4	7
	44,539	43,537

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada (PWGSC) and audit services provided by the Office of the Auditor General, are not included as an expense in Library and Archives Canada's Statement of Operations. Similarly, Library and Archives Canada provides certain storage and reference services without charge to other Government of Canada departments, agencies and Crown corporations.

(b) Payables outstanding at year-end with related parties:

(in thousands of dollars)	2007	2006
Accounts receivable with other government departments and agencies	675	219
Accounts payable to other government departments and agencies	876	1,452

10. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.

Contacts for Further Information:

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550 Place de la Cité Boulevard
Gatineau, Québec
K1A 0N4

General Information: 613-995-5115
Toll free number in Canada and the U.S.: 1-866-578-7777
TTY: 613-992-6969 or 1-866-299-1699 (Toll free in Canada)

This report can be found in electronic format at:

http://www.collectionscanada.ca/about-us/012-206-e.html

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